LTV BUSINESS

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COVER: Golf photo by Tyler Klassen; George Bush photo by Ankers, Anderson & Cutts; Kitchen galley courtesy of Jayco Inc.

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OEM EDITION JULY 1992

MARKETING FACTS

A MONTHLY NEWSLETTER FROM TL ENTERPRISES

ADVERTISING COSTS IN RV MAGAZINES— HOW DO THEY COMPARE?

If you're like most other RV marketers, much—if not all—of your advertising budget goes into RV magazines and other RV-related media. Which makes a lot of sense, since the RV market is easily reached and effectively covered by RV magazines.

If your advertising is limited to RV media, however, you probably don't realize what a bargain your RV advertising really is. Because you probably aren't aware of how your advertising costs stack up against those of similar companies in other markets.

This report will compare the advertising costs of RVing's two major consumer magazines—Trailer Life and MotorHome—to the costs of other leading magazines in comparable fields. All comparisons are on a cost-per-thousand (CPM) basis, so you can see exactly what each publication costs to reach 1,000 readers.

RV Magazines vs. Boating Magazines

From a marketer's point of view, the boating and RV fields are quite similar. The two markets are about the same overall size, and both are centered around expensive "vehicles" used for recreation—ranging from small boats and campers costing a few thousand dollars to luxurious yachts and motorhomes costing $100,000 or more.

In fact, if you market RVs or RV accessories, chances are there's a parallel company and product in the boating field. A company whose marketing programs, sales goals and advertising budgets are much like yours. With one big difference:

Your counterpart in the boating market has to pay twice as much for his advertising as you do!

Because—on a cost-per-thousand basis—the major boating magazines are more than twice as expensive as the RV publications!

Is this efficiency a one-time anomaly? Not at all. Comparisons in other similar-size, special-interest markets show RV magazines to also be a far better advertising value than motorcycle magazines, photography magazines and aviation magazines, to name a few.

In fact, RV magazines are even more efficient than the mass-circulation automotive magazines!

RV Magazines vs. Automotive Magazines

Automotive enthusiast magazines are among the most cost-efficient of all special-interest publications. This is due to their large circulations (ranging from 735,000 to 1,000,000) and their intense competition for advertising dollars. This competitiveness results in an average 4/color CPM of

	Audited Circulation	4/Color CPM
Boating Magazines		
Boating	186,064	$99.24
Sail	175,529	$73.80
Yachting	132,127	$95.63
RV Magazines		
Trailer Life	302,051	$36.42
MotorHome	151,008	$45.30

Source: Standard Rate & Data Service—February 1992

	Audited Circulation	4/Color CPM
Automotive Magazines		
Car and Driver	1,004, 291	$61.15
Motor Trend	887,475	$887,475
Road & Track	735,301	$62.00
RV Magazines		
Trailer Life	302,051	$36.42
MotorHome	151,008	$45.30

Source: Standard Rate & Data Service—February 1992

ADVERTISING COSTS Continued

$61.83, with only a $1.32 difference between the highest and the lowest.

How do these highly-efficient automotive magazines compare to the RV publications on a cost-per-thousand basis?

Each and every one of them is anywhere from 33% to 66% more expensive!

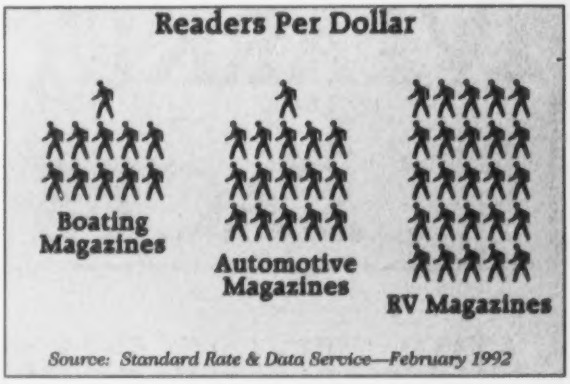
Another way of looking at these figures is to compare the average CPM of the RV, boating and automotive magazine groups as a whole.

SPECIAL INTEREST MAGAZINE GROUPS	Average 4/color CPM
Boating Magazines *Boating, Sail, Yachting*	$89.23
Automotive Magazines *Car and Driver, Motor Trend, Road & Track*	$61.83
RV Magazines *Trailer Life, MotorHome*	$39.37

Source: Standard Rate & Data Service—February 1992

While CPMs are useful for an efficiency comparison, there's another way to measure actual advertising value. And that's to look at how many readers each advertising dollar really buys.

Here's how the different magazine groups compare:



Source: Standard Rate & Data Service—February 1992

An advertising dollar spent in RV magazines buys an average of 25 readers...in the automotive magazines it buys 16 readers...and in the boating magazines it buys only 11 readers!

So the next time you look at your RV advertising expenditures, you might take comfort in the fact that you're getting a lot of value for your money.

And that your advertising dollars are buying a lot more than anyone else's.❖

#3 in a Series

AN INSIDER'S GUIDE TO MARKET RESEARCH

(This article is the third in a series intended to help you better understand the basics of market and media research as they apply to the RV marketer.)

In the previous edition of Marketing Facts, this column discussed why the self-administered questionnaire has become the industry standard for RV market and media research. The self-administered questionnaire can provide more in-depth research than other methods and can also be conducted anonymously to minimize bias.

The principal drawback to self-administered research is the possibility of a low response rate. Since it's up to the recipients to fill out and return the questionnaire, many may choose not to do so. And a low response rate can seriously affect the validity of the research.

This month, the series will look at several of the devices commonly used to build response. These are the alert notice, the cover letter, the incentive, and the return vehicle.

The Alert Notice

Considering the volume of "junk mail" that most people receive every day, a research package can be mistaken for a sales come-on and thrown away unopened. For this reason, an alert notice is sent to each respondent before the study is mailed. The notice—usually a postcard—tells respondents the study is coming and asks them to look for it in the mail. If they're expecting the study, they're much more likely to notice it and open it.

The alert notice also serves to "legitimitize" the study by explaining what it is—and more importantly, what it isn't. People are naturally suspicious of anything which tells them they've been selected or "won a free prize", since most of these are sales tricks. The alert notice helps overcome this suspicion.

The Cover Letter

Most questionnaire packages include a cover letter which asks for the respondent's cooperation. A typical letter explains the purpose of the study, indicates how the respondent was chosen, and gives simple instructions on how to respond. The letter helps to personally involve respondents in the study and make them feel that their answers are essential in making the study successful.

The Incentive

Perhaps the most effective response device of all

Ad Design Forum

IS REVERSE PRINT EFFECTIVE?

One of the oldest "rules" in advertising copywriting is that reverse print—white copy on a black or color background—discourages readership.

On the surface, this concern is understandable. Since normal copy is black on a white background, readers are not used to seeing reverse print and have to adjust their mental "focus" to read it. And secondly, so many advertisers have used reverse print purely as an attention-getting gimmick that the technique has gotten a bad reputation in the advertising community.

A well-designed ad will work whether the text is reversed or not. And a poorly-designed ad won't. It's that simple.

Over the past few years, however, a number of ads which prominantly feature reverse print have done very well in their Starch Copy Testing scores—the industry's standard measurement of advertising effectiveness. Because of this, the Starch Advertisement Readership Service recently conducted an analysis of readership performance between ads with standard print and reverse print.

The analysis was based on all full-page four-color ads of 150 words or less studied by Starch in the last quarter of 1990. Both consumer and business publications were included, so the findings have universal application and are not limited to a single product category or publication type.

The findings were as follows:

Ads Noted & Read Most

	Number of ads	Noted	Read Most
Standard (Black) Text	986	43%	9%
Reverse (White) Text	215	44%	9%

In terms of ad quantity, black text is clearly the norm—almost 5 times more ads were in black type than reverse type. But otherwise, the two types of ads scored equally well in scores for "Noted" (the percentage of people who remember seeing the ad) and "Read Most" (the percentage who read 50% or more of the written material in the ad).

Starch concluded that the use of white text no longer carries a penalty in readership and suggested two reasons for this newfound equality. First is a greater acceptance of reverse type by readers as they have beome more accustomed to reading it. And secondly, most of today's reverse print ads are better designed and less gimmicky than in the past.

If the use of reverse type has no discernible advantage in ad readership, why should the RV marketer consider it? The primary reason is that black backgrounds can be very powerful in enhancing product shots, adding a dramatic look to any RV. And extending this background throughout the entire ad—reversing out the type—integrates the copy and graphics into one unit.

The principal limitation on reverse text is that copy must be kept to a minimum and the typeface must be larger than normal. Otherwise, the copy tends to "bounce" on the page—an optical illusion which can negatively affect readership.

It all comes down to personal preference. Because, in the end, a well-designed ad will work whether the text is reversed or not. And a poorly-designed ad won't. It's that simple. ❖

ADVERTISING CLOSING DATES

MotorHome

October 1992 Issue...July 1

November 1992 Issue...August 5

Trailer Life

October 1992 Issue...July 16

November 1992 Issue...August 12

Highways

September 1992 Issue...July 2

October 1992 Issue...August 3

RV Business

September 1992 Issue...July 29

October 1992 Issue...August 28

Advertising Sales Offices
In California: (818) 991-4980
In Indiana: (219) 295- 7820

First-Quarter Sales Surpass '91 Levels

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

Both RV-trailer and motorhome sales rounded out the first quarter of 1992 at greater levels than seen in the same period of 1991. The RV-trailer sector experienced an 18.6% rise (a 3,419-unit increase) from the first quarter of '91, while motorhome sales climbed 11.23% (874 units) from those of the preceding first quarter. However, the industry still fell short of the 10-year average for first-quarter sales.

RV-trailer sales during March 1992 logged a 12.4% increase (1,152 units) from March '91, which was matched by a March gain in motorhome sales of 12.6% (421 units).

Sales performances in the nation's seven regions are shown in figures 1-4, which rank the regions according to their percentage changes in sales compared with the corresponding periods of 1991.

As 1992's opening quarter drew to a close, there were important shifts in market strength – with the Northeast, Mountain and West North Central regions performing above the industry average. Traditionally strong markets have softened, while weaker markets have grown faster than the national average. Thus, cashing in on the developing '92 market will require careful monitoring of retail activity. And it will be crucial to cover more than just the old key markets to accomplish today's marketing task. ∆ — *Thomas Wallworth*

RV TRAILERS, MARCH '92

Mar. '92 Rank	Region	% of Change from Mar. '91	Feb. '92 Rank
1	Pacific	27.5	7
2	Mountain	27.3	2
3	W.N. Central	25.1	1
4	E.N. Central	9.2	3
5	S. Central	6.8	5
6	Northeast	2.9	6
7	S. Atlantic	1.1	4

Figure 1

RV TRAILERS, YEAR-TO-DATE

Mar. '92 Rank	Region	% of Change Year-to-Date	Feb. '92 Rank
1	W.N. Central	43.4	1
2	Mountain	34.1	2
3	E.N. Central	18.0	3
4	S. Central	15.5	6
5	Pacific	15.2	7
6	S. Atlantic	14.2	4
7	Northeast	11.3	5

Figure 2

MOTORHOMES, MARCH '92

Mar.'92 Rank	Region	% of Change from Mar. '91	Feb.'92 Rank
1	W.N. Central	25.3	7
2	Northeast	23.2	1
3	Mountain	21.4	2
4	Pacific	14.8	5
5	S.Central	13.7	4
6	E.N. Central	12.0	3
7	S. Atlantic	-9.3	6

Figure 3

MOTORHOMES, YEAR-TO-DATE

Mar. '92 Rank	Region	% of Change Year-to-Date	Feb. '92 Rank
1	Northeast	28.2	1
2	Mountain	21.4	2
3	S. Central	16.9	3
4	W.N. Central	16.3	5
5	E.N. Central	13.3	4
6	Pacific	7.0	6
7	S. Atlantic	-2.5	7

Figure 4

Thomas Wallworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics to the RV industry for 20 years. Statistical Surveys is an acknowledged leader in the RV statistical field.

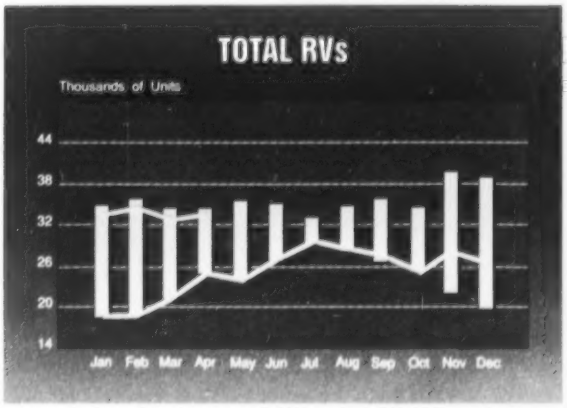


Figure 1

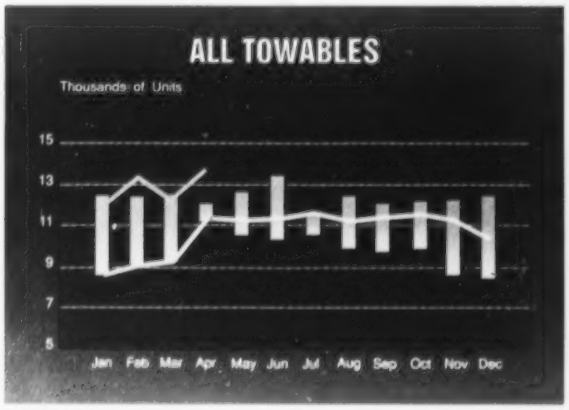


Figure 2

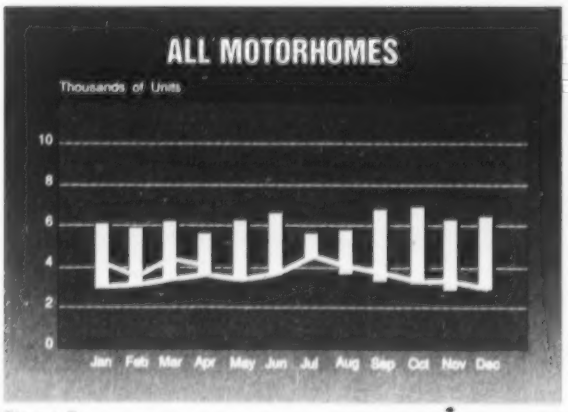


Figure 3

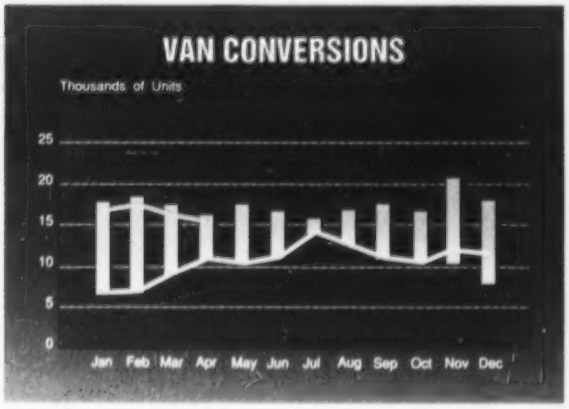


Figure 4

April Shipments Continue Growth

Led by a towables performance that soared above the previous monthly peak, shipments in April continued to outdistance 1991. Total shipments were up 2.3% from March and were a good 31.7% ahead of April '91. Towables were ahead of April '91 by 21.7%, while motorhomes, despite a 5.6% dip from March, outpaced last April by 12.3%. Although down slightly from March, van conversions still recorded the largest gain (48.8%) compared with last April.

Year-to-date, the first four months of 1992 put total shipments 60.3% ahead of their level for the same period of '91. The largest year-to-date growth was recorded by van conversions with a 101.7% increase. Towables moved upward by 34.5%, and motorhomes led 1991 by 28.4%.

Shipment data is supplied by Market Measures, directed by Industrial Statistics Research Center at Indiana University. Statistics and a number of the tables

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Apr. '92	% Change From Mar. '92	% Change From Apr. '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	33,680	2.3	31.7	134,310	60.3	100.00
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL TOWABLES	13,850	13.7	21.7	51,260	34.5	38.17
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL MOTORHOMES	4,910	-5.6	12.3	15,990	28.4	11.91